

Budget Review 2023-24

West Multnomah Soil & Water Conservation



HIGHLIGHTS

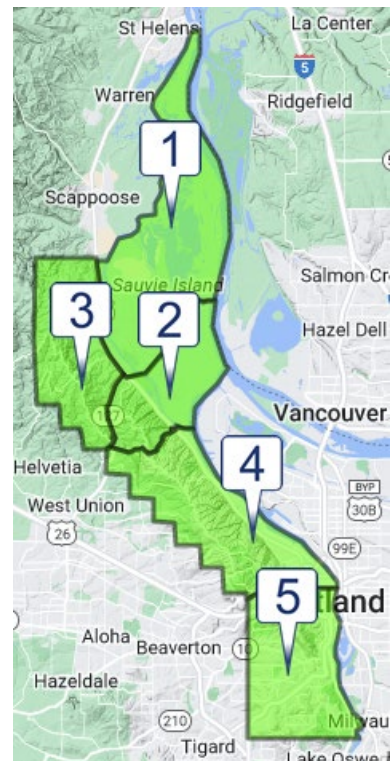
- The total budget is \$4.1 million, an increase of \$188,300 (5%).
 - Resources increase with a higher beginning fund balance (increase of 4%) and property tax revenue (5%). Fund balance accounts for 39% of total resources.
 - Personnel services and unappropriated ending fund balance are budgeted to increase by just over \$100,00 each.
- Personnel costs increase 7% to a total of \$1.7 million, with the major driver being a potential payout of vacation and comp time as part of a policy transition to a self-managed time policy.
- Materials and services costs decreased by \$46,628 to \$1,056,323. The majority of the decrease is a result of one-time costs in FY 23 for moving offices.
- Ending fund balance grows 10% to \$1.2 million as cash flow needs increase due to inflation.
- Capital outlay increases by 50% up to a total of \$60,125 due to replacement of a fleet vehicle.

INTRODUCTION & BACKGROUND

The West Multnomah Soil & Water Conservation District's (SWCD) service area includes all of Multnomah County west of the Willamette River, a portion of Washington County known as Bonnie Slope West, and all of Sauvie Island, including that portion of the island within Columbia County. It is estimated to cover 86,260 acres (135 square miles). The district covers five zones (see map to the right).

The district's mission is to "Conserve and protect soil and water resources for people, wildlife, and the environment."

The district was established in 1944 as the Sauvie Island Soil Conservation District to direct agricultural producers to soil conservation technical assistance resources, such as those provided by the federal Soil Conservation Service, known today as the U.S. Department of Agriculture, Natural Resource Conservation Service (NRCS). In 1975, the district expanded the scope of its conservation work, including the types of natural resource concerns addressed and the geographic service area and became the West Multnomah Soil & Water Conservation District. Voters approved a permanent property tax levy in November 2006 and beginning in fiscal year 2007-2008, the district enlarged its staff to provide conservation assistance and resources more broadly throughout the service area.



Now divided into five geographic zones, the district provides voluntary conservation services to people that live, work, or otherwise have an interest in the geographic service area. The district provides resources, information, and expertise for people to actively improve air and water quality, fish and wildlife habitat, and soil health. To accomplish this, the district works with private owners of farms and forests, tenants, schools, non-profit organizations, culturally specific organizations, neighborhood and other local community centers, and government agencies.

The district is governed by a seven-member Board of Directors: five represent geographic areas and two are elected at large. Directors are elected to four-year terms and serve without compensation.

The district completed a new Long Range Business Plan (LRBP) plan in early 2021. The district has developed goals, tactics, and performance measures for 10 elements of work. The 50-page document is located on the [district web site](#). The budget includes detailed reporting on performance of these goals, [starting on p.23](#).

West Multnomah Soil & Water CD	2019-20	2020-21	2021-22	2022-23
Assessed Value in Billions	\$23.996	\$24.981	\$27.536	\$29.114
Real Market Value (M-5) in Billions	\$50.541	\$56.279	\$57.682	\$60.001
Property Tax Rate Extended: Operations	\$0.0750	\$0.0750	\$0.0750	\$0.0750
Measure 5 Loss	-\$82,447	-\$90,738	-\$98,718	-\$90,748
Number of Employees (FTE's)	11	11	11	11

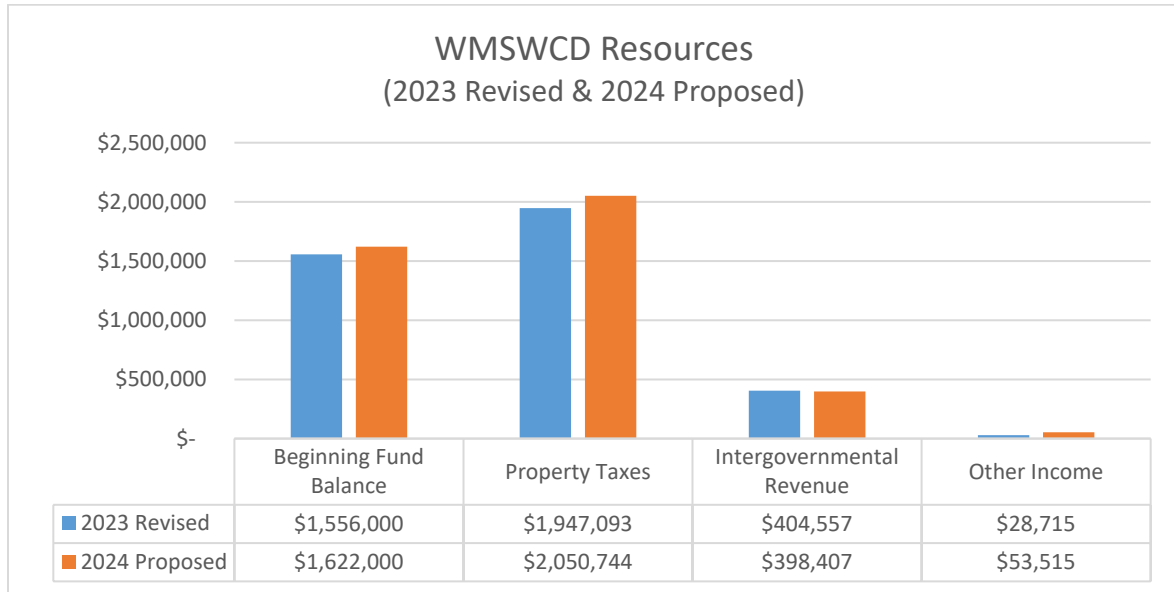
BUDGET OVERVIEW

Total budget for FY 2023-24 is \$4.1 million, a 5% increase from FY 2022-23 (an increase of \$188,300). The district has only one fund (the General Fund) following the 2021 closure of the Sturgeon Lake Fund.

RESOURCES

Resources are primarily made up of property taxes (\$2 million) and beginning fund balance (\$1.6 million). The district levies its full property tax rate of \$0.0750 each year. This year the district is lowering their expected collection rate to 94% (prior years were 95%) based on collection rate trends for FY 23 but overall property tax revenue grows due to anticipated assessed value growth. Property tax revenue covers 72% of operating costs.

Budgeted interest sees the largest percentage increase, with \$32,000 additional dollars budgeted based on current trends for funds held in the district’s State of Oregon Local Government Investment Pool (LGIP).

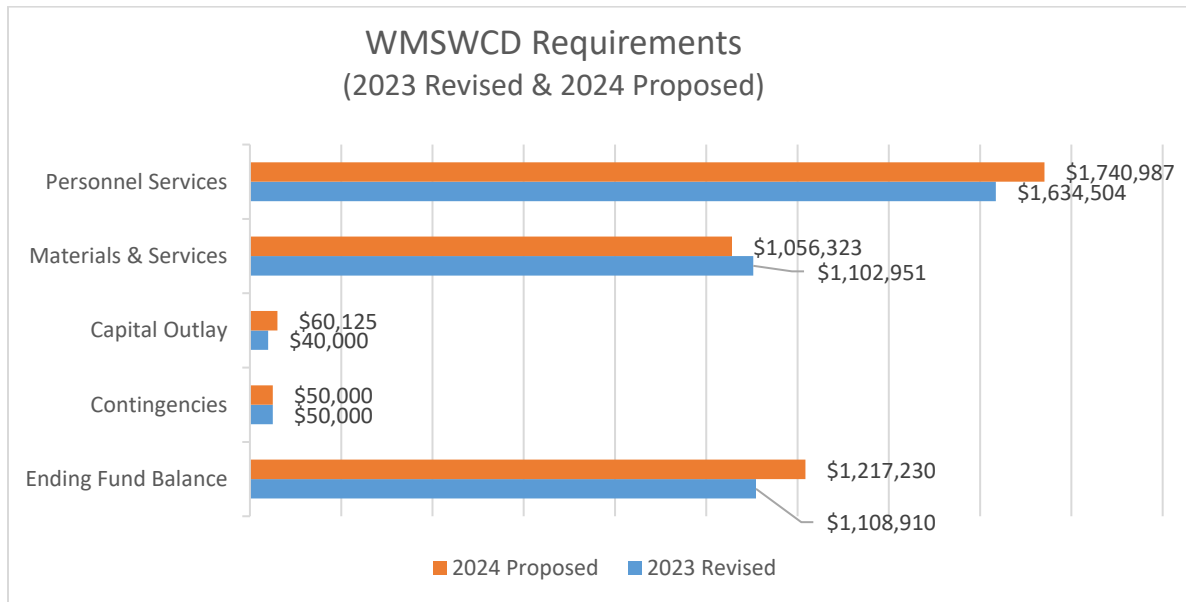


The beginning fund balance increases by \$66,000 over FY 23 due to positions that were open for part of the year. Planned one-time costs related to moving offices in fall 2022 also came in lower than expected and will carry over in the beginning fund balance. Other shifts in resources are shown in the table below:

Type	FY 23	FY 24	Comparison of FY24 to FY23	
			Increase / (Decrease)	%
Beginning Fund Balance	1,556,000	1,622,000	66,000	4
Property Taxes	1,947,093	2,050,744	103,651	5
Federal Funding	200,000	250,000	50,000	25
State Funding	184,557	148,406	(36,151)	(20)
Local and Other Funding	20,000	-	(20,000)	(100)
Miscellaneous	23,215	16,015	(7,200)	(31)
Interest	5,500	37,500	32,000	582
Total	3,936,365	4,124,665	188,300	5

The exact make up of grants varies from year to year and specifics on this year’s anticipated grants can be found on [p.9 of the budget document](#). The budget identifies expenditures reliant on estimated grant resources, and if the grants are not received, those corresponding expenditures will not be authorized as part of the fiscal oversight of the budget.

REQUIREMENTS



Type	FY 23	FY 24	Comparison of FY24 to FY23	
			Increase / (Decrease)	%
Personnel Services	1,634,504	1,740,987	106,483	7
Conservation Operations	395,728	326,603	(69,125)	(17)
Conservation Programs & Services	707,223	729,720	22,497	3
Capital Outlay	40,000	60,125	20,125	50
Contingency	50,000	50,000	-	0
Reserve for Future Expenditures	25,000	25,000	-	0
Unappropriated Ending Fund Balance	1,083,910	1,192,230	108,320	10
Total	3,936,365	4,124,665	188,300	5

Personnel Services costs are increasing by a net \$106,483 (7%) in the FY 24 budget due to cost of living adjustments (COLA), benefits cost increases, staffing policy changes, and an increase of 0.3 FTE (the Communications position will move from 0.7 FTE to 1.0 FTE) for a total of 11.6 FTE. Administrative staff account for 4.0 FTE and Conservation staff account for 7.6 FTE.

COLA for FY 23-24 is budgeted at 5.8%, and cost increases related to salary and benefit increases are balanced by current staff leaving and the expectation that new employees will start at a lower pay threshold.

Also impacting the personnel services budget is a potential transition to a self-managed time policy (replacing the existing accrued leave policy). The budget includes \$75,865 for this proposed policy change to pay out vacation and compensatory time, a one-time transition cost. The policy will be evaluated over the next 6 months, with the goal of making the transition in FY24 if determined to be beneficial for staff and the district.

Materials and Services costs decreased by \$46,628 to \$1,056,323. The decrease is primarily due to one-time costs in FY 23 related to moving offices, which accounts for a decrease of over \$65,000. The new office location also has lower rent than the old location.

One of the larger components of the materials and services budget is conservation program spending in partner support (\$210,470). Partner funding has remaining mostly stable, with recent additions centered on community and garden educations focused on BIPOC communities.

Capital Outlay is only a small portion of the budget and includes funds for a new fleet vehicle, an upgraded computer server, and potential Sturgeon Lake restoration project capital needs. Overall capital costs increase by 50% for the upcoming fiscal year.

The district’s **Contingency** (\$50,000), **Reserves for Future Expenditures** (\$50,000), and **Ending Fund Balance** (\$1,192,230) are consistent with prior years, with Ending Fund Balance seeing growth due to increased cash flow needs to keep pace with inflation.

DEBT STATUS

The district has no debt.

BUDGET PROCESS & COMPLIANCE

Yes	No	Compliance Issue
✓		1. Did District meet publication requirements?
✓		2. Do resources equal requirements in every fund?
n/a		3. Does the G.O. Debt Service Fund show only principal and interest payments?
✓		4. Are contingencies shown only in operating funds?
✓		5. Did budget committee approve the budget?
✓		6. Did budget committee set the levy?
✓		7. Does audit show the district was in compliance with budget law?

LOCAL BUDGET LAW COMPLIANCE

The 2023-2024 Budget is in substantial compliance with local budget law. Estimates were judged to be reasonable for the purpose shown. The audit report for FY 2021-22 notes no exceptions.

CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS

TSCC staff did not find any deficiencies in the district's FY 2023-24 budget or budget process and will recommend the Certification Letter contain no recommendations or objections.

West Multnomah Soil & Water					
TSCC Dist. #13					
Budget Summary					
	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	%
<u>SUMMARY OF ALL FUNDS</u>	Actual	Actual	Revised	Approved	Change
PROPERTY TAX BREAKDOWN:					
Permanent Rate Property Taxes	1,691,225	1,896,856	1,912,000	2,029,000	6.1%
Prior Years Property Taxes	25,868	22,718	35,093	21,744	-38.0%
TOTAL PROPERTY TAX	1,717,093	1,919,574	1,947,093	2,050,744	5.3%
RESOURCES:					
Beginning Fund Balance	1,150,045	1,283,653	1,556,000	1,622,000	4.2%
Property Taxes	1,717,093	1,919,574	1,947,093	2,050,744	5.3%
Intergovernmental Revenue	209,318	195,434	404,557	398,407	-1.5%
Other Income	24,759	45,772	28,715	53,515	86.4%
Transfers In	48,586	0	0	0	0.0%
TOTAL RESOURCES	3,149,801	3,444,433	3,936,365	4,124,666	4.8%
REQUIREMENTS BY OBJECT:					
Personnel Services	1,278,300	1,315,922	1,634,504	1,740,987	6.5%
Materials & Services	538,027	642,421	1,102,951	1,056,323	-4.2%
Capital Outlay	1,235	0	40,000	60,125	50.3%
Fund Transfers	48,586	0	0	0	0.0%
Contingencies	0	0	50,000	50,000	0.0%
Ending Fund Balance	1,283,653	1,486,090	1,108,910	1,217,230	9.8%
TOTAL REQUIREMENTS BY OBJECT	3,149,801	3,444,433	3,936,365	4,124,665	4.8%
SUMMARY OF BUDGET - BY FUND					
General Fund	3,057,004	3,444,433	3,936,365	4,124,665	4.8%
Sturgeon Lake Fund	92,797	0	0	0	0.0%
GRAND TOTAL ALL FUNDS	3,149,801	3,444,433	3,936,365	4,124,665	4.8%
DETAIL OF GENERAL FUND					
RESOURCES:					
Beginning Fund Balance	1,060,349	1,283,653	1,556,000	1,622,000	4.2%
Property Tax	1,717,093	1,919,574	1,947,093	2,050,744	5.3%
Federal Revenue	69,080	30,000	200,000	250,000	25.0%
State Revenue	132,362	135,434	184,557	148,407	-19.6%
Local Revenue	5,500	30,000	20,000	0	-100.0%
Other Income	24,034	45,772	28,715	53,515	86.4%
Transfers In	48,586	0	0	0	0.0%
TOTAL FUND RESOURCES	3,057,004	3,444,433	3,936,365	4,124,666	4.8%

REQUIREMENTS:

Environmental and Conservation Services	1,773,351	1,958,343	2,777,455	2,857,435	2.9%
Contingencies	0	0	50,000	50,000	0.0%
Ending Fund Balance	1,283,653	1,486,090	1,108,910	1,217,230	9.8%
TOTAL FUND REQUIREMENTS	3,057,004	3,444,433	3,936,365	4,124,665	4.8%